

Torrance, California  
July 22, 1941

MINUTES OF A REGULAR MEETING  
OF THE CITY COUNCIL  
OF THE CITY OF TORRANCE

The City Council of the City of Torrance convened in a Regular Meeting in the Council Chamber, City Hall, Torrance, California, on Tuesday, July 22, 1941 at 7:45 P.M.

Mayor McGuire called the meeting to order.

Clerk Bartlett called the roll, those answering present being  
Councilmen: Babcock, Hitchcock, Murray, Powell and McGuire. Absent:  
Councilmen: None.

Councilman Hitchcock moved that the minutes of a Regular Meeting held July 8, 1941 and of an Adjourned Regular Meeting held July 15, 1941 be approved as written. Councilman Murray seconded the motion, which was carried unanimously.

WRITTEN COMMUNICATIONS

A communication was read from Mrs. Flora Wright, Toy Loan Chairman, requesting that the Toy Loan Library in the City of Torrance be maintained by the City from funds allocated for Recreation purposes, due to the fact that the Works Progress Administration had been obliged to discontinue expense of maintaining the Torrance branch of the Toy Loan Library.

Mrs. Wright addressed the City Council and offered to furnish whatever information is desired regarding activities of the Toy Loan Library.

After short discussion, Mayor McGuire suggested that Mrs. Wright and members of the Toy Loan Committee, together with Mrs. Cora Bohrer of the City Recreation Department, meet with the City Council within the next two weeks for detailed discussion of this matter, which suggestion met with approval of members of the City Council and Mrs. Wright.

A communication from the San Pedro Chamber of Commerce, signed by Bob Hillyer, Chairman Parade Committee, was read, inviting the Torrance Municipal Band to participate in the Parade on August 8, 1941 in San Pedro, the occasion being the installation of a new municipal ferry service between San Pedro and Terminal Island.

Councilman Hitchcock moved that the Torrance Municipal Band be authorized to participate in the parade to be held in San Pedro August 8, 1941 and that the Band and the San Pedro Chamber of Commerce be advised to this effect. Councilman Babcock seconded the motion, which was carried by the following roll call vote: AYES: COUNCILMEN: Babcock, Hitchcock, Murray, Powell and McGuire. NOES: COUNCILMEN: None. ABSENT: COUNCILMEN: None.

A communication was read from the International Association of Chiefs of Police, signed by Edward J. Kelly, Executive Secretary, urging and inviting attendance of the Chief of Police of Torrance at the 48th Annual Conference of the International Association of Chiefs of Police, to be held at the Hotel Statler, Buffalo, New York, August 18-21, 1941, the subject of discussion to be defense and mobilization plans for protection of citizens during emergency or disaster.

Councilman Hitchcock moved that the communication be filed. Councilman Babcock seconded the motion, which was carried unanimously.

A communication was read from the City of Palos Verdes Estates, signed by S. F. Bergstrom, City Clerk, on behalf of the Palos Verdes Estates City Council, expressing appreciation for work done by the City of Torrance Street Department in improving the Hawthorne Avenue approach to the City of Palos Verdes Estates.

A communication was read from the County of Los Angeles Department of the County Public Library, signed by Helen E. Vogleson, County Librarian, enclosing statement of operations and three copies of the bill for library service rendered the City of Torrance from January 1 to June 30, 1941.

A communication signed by J. E. McCall, City Attorney, was read, being the written opinion requested at the Adjourned Regular Meeting of the City Council on July 15, 1941 on the question of whether or not Leonard J. Young was blanketed in with the rights of an appointive officer under Civil Service Ordinance No. 326. Attorney McCall ruled that Mr. Young was blanketed in under said ordinance and cited some analogous cases on which his opinion in this matter is based.

8:00 P.M. being the time set for receiving bids for sale of City of Torrance owned real property, in accordance with Notice of Sale of Tax Deeded Land published in the Torrance Herald July 3, 10 and 17, 1941, and the hour of 8:00 P.M. having arrived, Mayor McGuire announced that no sealed bids had been received and invited oral bids.

Clerk Bartlett read the description by Tract, Lot and Block of the twenty-one (21) parcels of property which have been advertised for sale at this time.

Objections were voiced to the provision of allowing persons to submit bids exceeding original bids by 5% between the time the original bid is submitted and the bid accepted or rejected. Mr. Sam Levy pointed out that better prices for the lots would be received if spirited bidding were allowed and the lots sold to the highest bidder, instead of accepting bids and allowing anyone so desiring to file bids on the abovementioned terms between receipt of an acceptance or rejection of bids. He said he felt each lot or lots bid on should be auctioned for the highest amount bid and sold immediately to the high bidder, provided the bid equalled or exceeded the minimum amount set for each lot, doing away with the plan of allowing persons to submit their sealed bids after they have had the privilege of hearing the original bid, which plan, he indicated, would be unfair to the original bidder if adhered to by the Council.

At this time Mrs. Matilda Winters, Erwin Hotel, Torrance, bid as follows:

<u>TRACT</u>	<u>LOT</u>	<u>BLOCK</u>	<u>BID</u>
Torrance	10	67	\$100.00

Mrs. Brown, 1008 Cedar Avenue, bid as follows:

<u>TRACT</u>	<u>LOT</u>	<u>BLOCK</u>	<u>BID</u>
Torrance	16	89	\$100.00

Mr. Bronson Buxton, 1960 Torrance Boulevard, stated he would take Lot 17, Block 89, Torrance Tract, but submitted no bid.

Mr. G. H. Pine, 10512 Santa Monica Boulevard, West Los Angeles, bid as follows:

<u>TRACT</u>	<u>LOT</u>	<u>BLOCK</u>	<u>BID</u>
Torrance	16	89	\$125.00
"	17	89	\$125.00
"	18	89	\$125.00
"	19	89	\$125.00

A gentleman, bidding for J. C. Smith, 1409 Sartori Avenue, bid as follows:

<u>TRACT</u>	<u>LOT</u>	<u>BLOCK</u>	<u>BID</u>
Torrance	7	35	\$200.00

Mrs. Brown, 1008 Cedar Avenue, raised her bid as follows:

<u>TRACT</u>	<u>LOT</u>	<u>BLOCK</u>	<u>BID</u>
Torrance	16	89	\$150.00

Mr. B. R. Greig of the Associated Assessment Engineers, in answer to the objections voiced to holding actual acceptance of bids over for a period of one or two weeks, advised that the City Council must, in the interest of the City of Torrance, be allowed a little time to prepare the necessary resolution of acceptance. He called attention again to the fact that the Council is vested with the authority to accept or reject any and all bids received at its discretion.

At this time, Mr. Greig consulted with Mayor McGuire and other members of the Council, the announcement being made by Mayor McGuire afterwards that resolutions will be prepared for the August 12, 1941 meeting, at which time the lots bid on will actually be sold to the highest bidder, provided the established minimum or more is bid, doing away with the delay of holding the matter in abeyance from one meeting to the next before acceptance or rejection. He stated that anyone desiring to bid between this time and the meeting of August 12, 1941 can do so by submitting sealed bids, sealed bids to be opened only in open Council meetings.

At 8:21 P.M., public bidding on tax deeded land was closed until August 12, 1941 at 8:00 P.M.

Councilman Murray moved that the communication and opinion from Attorney McCall regarding the question of whether or not Leonard J. Young was blanketed in with the rights of an appointive officer under Civil Service Ordinance No. 326 be filed. Councilman Babcock seconded the motion, which was carried unanimously.

Clerk Bartlett asked whether or not any action is anticipated regarding Resolution No. 1474 whereby Mr. Jain was appointed City Engineer, inasmuch as Mr. McCall's ruling that Mr. Young was blanketed in as City Engineer leaves the City with two Engineers. Attorney McCall, upon being asked what procedure should be followed in this matter, cited a similar case handed down by the Supreme Court of California on July 8, 1941, in which case it was ruled that the person holding the position during absence of another holds said position on a temporary basis only. He said the title could stand as it is at this time without affecting the case one way or the other.

Clerk Bartlett presented demands and cancelled checks, reading as follows:

Frank Leonard, Deceased April 16, 1938.  
Attended his last meeting March 8, 1938.  
Paid two weeks salary April 1, 1938, Check No. 16706.  
Paid 2 weeks salary April 16, 1938, Check No. 16955.

L. O. Stevens, Deceased October 4, 1939.  
Last worked September 23, 1939.  
Last warrant dated October 1, 1939.

Leonard Young.  
Taken ill August 1, 1940.  
Paid 2 weeks salary August 16, 1940, Check No. 22414.  
Paid 2 weeks salary September 1, 1940, Check No. 22549.  
Paid 1 weeks salary November 13, 1940, Check No. 23289.  
Last warrant - salary 1 week a/c sick leave in full.

A communication from G. M. Bumpus, 1409 Marcelina Avenue, was read, which referred to a folder or pamphlet known as the Torrance Recall News. It was stated that certain criminal and election laws of the State of California had been violated,



inasmuch as the paper does not bear the name and address of the printer and publisher thereof, name of the chairman and secretary or the names of two officers at least of the political or other organization issuing it, or the name and residence of some voter of the State who is responsible for said paper. Mr. Bumpus contended that many of the allegations contained in said folder are false in fact, libelous per se and aggravated by malice. Mr. Bumpus requested that the City Council by resolution instruct the law enforcement officials of the City to investigate the public offenses involved and prosecute the persons responsible therefor.

Councilman Murray moved that the communication be referred to the Legal Department. Councilman Powell seconded the motion, which was carried unanimously.

Applications for positions were read as follows:

- (1) H. M. Andrews, no address given. Application for work with Street Department.
- (2) Joseph Bray, no address given. Application for relief work as janitor.

Councilman Hitchcock moved that the two applications as read be dated and filed. Councilman Powell seconded the motion, which was carried unanimously.

Clerk Bartlett advised that he had, at the request of Councilman Babcock, obtained the demands from the files relative to various sums paid for special audits of the books. He handed three demands, with a recap of same, to Councilman Babcock.

Engineer Jain advised that the Pomona Pump Company agent had investigated the condition of the well and pump of the Crown Water Company in North Torrance, finding that the casing was crushed at 64½' depth but that the pump is in good condition with the exception that it needs new bearings. He said the agent had not recommended use of the well. He asked further instructions in the matter.

Mr. Jain said he had information that Mr. Peck of Gardena had offered a bid of \$1350.00 for redrilling the well and reconstructing the tank. He recommended that Mr. Peck be given the contract on this basis if it can be done without advertising for bids. Otherwise, he said he would be glad to prepare specifications for advertising for bids. He recommended further that the Pomona Pump Company be allowed to revamp the pump, advising that the pump is stored in said Company's warehouse at the present time to avoid theft. He said the company had barricaded the well to prevent accidents. Mr. Jain advised that Mr. Findley, Attorney, had turned over the deed to the property of the Crown Water Company and the 15 feet of roadway leading onto the premises.

Attorney McCall advised that bids are necessary before granting the contract to anyone to drill the well.

Councilman Hitchcock asked whether or not the City must accept the deed before drilling the well, Attorney McCall answering in the negative.

Councilman Powell asked Attorney McCall in regard to legality of calling for bids for drilling the well and reconstructing the tank. Attorney McCall ruled that this procedure would be legal.

Councilman Powell moved that Engineer Jain be authorized to prepare specifications and advertise for bids for redrilling the well and reconstructing the tank and repairing the pump of the Crown Water Company in North Torrance. Councilman Murray seconded the motion.

Mr. Jain recommended again that the Pomona Pump Company be given the job of repairing the pump.

Mrs. Gonner from North Torrance stated that the method of procedure outlined by Mr. Jain is acceptable to the residents of North Torrance, as they are interested in obtaining water at a minimum expense.

Councilman Hitchcock inquired whether or not separate bids could be advertised for (1) drilling the well and (2) for reconstructing the tank.

Attorney McCall advised that a new law has recently been enacted relative to this matter, but that he has not as yet obtained a copy of same. He said he could obtain same and answer Councilman Hitchcock's question at the next meeting.

At this time, Councilman Powell withdrew his motion, and Councilman Murray withdrew his second, to authorize Mr. Jain to prepare specifications and advertise for bids in the matter of the Crown Water Company.

Attorney McCall was instructed to obtain a copy of the new law relative to this matter and render a decision as to whether or not separate bids can be called for, said decision to be presented at the next meeting.

Councilman Powell moved that an appropriation of not to exceed \$1090.00 be made for purchase of a Pontiac sedan for the Police Department to replace the motorcycle. Councilman Babcock seconded the motion, which was carried by the following roll call vote: AYES: COUNCILMEN: Babcock, Hitchcock, Murray, Powell and McGuire. NOES: COUNCILMEN: None. ABSENT: COUNCILMEN: None.

Councilman Powell moved that an appropriation of not to exceed \$66.95 be made for purchase of one (1) siren for the Police Department. Councilman Murray seconded the motion, which was carried by the following roll call vote: AYES: COUNCILMEN: Babcock, Hitchcock, Murray, Powell and McGuire. NOES: COUNCILMEN: None. ABSENT: COUNCILMEN: None.

Councilman Powell read in full a letter from the Chamber of Commerce under date of July 7, 1941, relative to the Chamber of Commerce budget for the 1941-42 fiscal year and read the following prepared statement: "In the past fourteen years, there have been appropriations made to the local Chamber of Commerce out of the general taxes in the neighborhood of \$170,000.00 and the City, in my opinion, has received very little benefit from this enormous expenditure and that besides this large amount, the taxpayers were bonded for \$17,000.00 to build the Commercial Building equipped and in view of the fact that the City needs all the revenue at its command to provide needed improvement for the City, equipment replacements, and street and alley improvements. I want it understood that I think the Chamber of Commerce has its place in the Community. But I feel that they should shoulder their own expenses; however, I would agree to supplying them with the building. It is my desire to use the revenues of the City for the badly needed improvements. Therefore I move that the City Clerk be instructed to notify the Chamber of Commerce by letter at once that the City Council will not appropriate any money to the Chamber of Commerce this year (1941-42 fiscal year)." Councilman Murray seconded the motion, which was carried by the following roll call vote: AYES: COUNCILMEN: Babcock, Murray and Powell. NOES: COUNCILMEN: Hitchcock and McGuire. ABSENT: COUNCILMEN: None.

Before voicing his vote, Mayor McGuire made the following statement: "I have not talked to any member of the Council concerning the Chamber of Commerce or its activities. To date, we have not received a budget from the Chamber of Commerce, or outline of what they expect to do in the ensuing year. The only

communication received so far is the communication Mr. Powell read. I will vote no because we are not acquainted as to what they expect to do in the ensuing year and if at any time we want to change our vote, we might do so."

Councilman Hitchcock moved that an appropriation of not to exceed \$60.00 be made for 34 tractor plates for the Street Department. Councilman Babcock seconded the motion, which was carried by the following roll call vote: AYES: COUNCILMEN: Babcock, Hitchcock, Murray, Powell and McGuire. NOES: COUNCILMEN: None. ABSENT: COUNCILMEN: None.

Councilman Hitchcock moved that an appropriation of not to exceed \$205.00, plus tax, be made for purchase of steel curb return forms for the Street Department. Councilman Murray seconded the motion, which was carried by the following roll call vote: AYES: COUNCILMEN: Babcock, Hitchcock, Murray, Powell and McGuire. NOES: COUNCILMEN: None. ABSENT: COUNCILMEN: None.

Councilman Hitchcock moved that an appropriation of not to exceed \$130.00, plus tax, be made for enamel street signs and standards for use in the Vista Highlands and North Torrance districts. Councilman Babcock seconded the motion, which was carried by the following roll call vote: AYES: COUNCILMEN: Babcock, Hitchcock, Murray, Powell and McGuire. NOES: COUNCILMEN: None. ABSENT: COUNCILMEN: None.

Councilman Hitchcock moved that an appropriation of not to exceed \$140.00 be made for reconstruction and remodeling of the existing sewer lines south of Plaza del Amo Street (between Arlington Avenue and Cabrillo Avenue) to take care of the new subdivision sewer requirements. Councilman Powell seconded the motion, which was carried by the following roll call vote: AYES: COUNCILMEN: Babcock, Hitchcock, Murray, Powell and McGuire. NOES: COUNCILMEN: None. ABSENT: COUNCILMEN: None.

Councilman Hitchcock asked Engineer Jain to investigate the report he had received that the Southern California Edison Company, Ltd. is installing wood lighting standards instead of steel standards in the Hollywood Riviera section. Mr. Jain was instructed to take the matter up with O.D. Butterfield, City Electrician.

Councilman Babcock moved that an appropriation of not to exceed \$200.00 be made for expenses for attendance of the Electrical Inspector and the Police Commission at the Convention to be held in San Jose August 25-27, 1941 inclusive. Councilman Hitchcock seconded the motion, which was carried by the following roll call vote: AYES: COUNCILMEN: Babcock, Hitchcock, Murray, Powell and McGuire. NOES: COUNCILMEN: None. ABSENT: COUNCILMEN: None.

Councilman Babcock read the demands handed to him by Clerk Bartlett relative to special audits conducted, the dates of payments, firm name and amounts paid being as follows:

November 16, 1939. C. J. Rambo & Company \$537.50 (This amount including \$112.50 for regular quarterly report ended September 30, 1939.)

December 13, 1939. Allen R. Smart. \$300.00

May 28, 1941. Logan R. Cotton \$750.00

Councilman Babcock stated he would like to correct the Torrance Herald in its quotation that special audits had cost the City \$1800.00. As a matter of fact, he said, the audit made by Logan R. Cotton was the only one, which totaled \$750.00, which had been made of certain records. He stated at this time that he would not vote for the 1941-42 budget unless employees of the City are taken into consideration.

ORAL COMMUNICATIONS

Mrs. Flora Wright suggested that the City purchase pruning shears with longer handles than the ones in use at the present time to make less difficult the task of trimming trees.

Councilman Babcock asked Engineer Jain if he had done anything about the request of Mr. Smith to improve conditions of roads in South Torrance. Mr. Jain advised that he had turned over his report on the matter to Mr. Gascoigne, Street Superintendent, for action.

Councilman Babcock asked that 237th Street and Eshelman Avenue be improved.

At the request of Grover Whyte, Publisher of the Torrance Herald, Councilman Babcock re-read the demands of payments made for special audits. Councilman Babcock stated that the amount paid to the firm of Allen R. Smart in the amount of \$300.00 had been an audit occasioned by the death of Mr. L. O. Stevens and that the amount paid the firm of C. J. Rambo and Company had been for the regular quarterly audit and for assisting the auditing firm of Allen R. Smart during the audit after Mr. Steven's death.

Mr. Whyte advised that he had reported a sum of \$1587.50 for audits, being the total of the three abovementioned, and not \$1800.00 as stated by Councilman Babcock. Councilman Babcock acknowledged the correction.

At this time, Mr. C. J. Rambo of C. J. Rambo and Company, Auditors, addressed the City Council, his comments being as follows:

"I would like to make a few comments on behalf of myself and C. J. Rambo and Company. There are a few observations I would like to make to the City Council. I would like to first call your attention to the fact that, for a period of fourteen years, from 1926 to 1940, our firm were auditors for the City and, inasmuch as this is rather pertinent to some of the comments I am going to make tonight, I want to also point out the fact that C. J. Rambo and Company for more than twenty-six years has specialized exclusively in municipal and grand jury auditing and financial investigations. So far as we know, we are the only firm in the Country that makes an absolute specialty of this type of work. We have conducted many times more of these engagements than any firm in the West.

During the past several months, taken from the official minutes, I find there have been a number of slurring and derogatory remarks made in this Council Chamber with reference to us and C. J. Rambo and Company. I am not here tonight to defend us, because we are only too proud to stand on our own record. I am here to make statements for the benefit of members of this City Council.

Two weeks ago last Saturday on the 5th of July, I saw upon the official records of the City Court of the City of Torrance some things that made me go back to the quiet of my home and sit down and think. I actually had to wonder whether, since I had ceased to be auditor of this City, the City of Torrance was really still a part of this democracy of ours, or whether you had a little Russia here of your own. I have heard and read a lot in the papers about sabotage in our industrial plants, about political intrigue and Communism in the schools, but I have never seen a more complete, diabolical, and dastardly attempt to sabotage and ruin the name of a man than I saw displayed on the City Court records of the City Court of Torrance.



Many different times there have been references made across the Council table to the effect of what happened to the \$38,000.00 in the Water Department. I realize that it is a futile attempt to answer that question for two reasons. First, because if the question were asked in a serious and wholesome desire to know the answer, the official records of the City of Torrance are very plain, very clear and contain the whole and sole answer, and, secondly, because this explanation is going to be receptive to three different types of minds. First, the serious and intelligent who need no explanation. They already know the answer. In the second place, to those who are either too ignorant or too prejudiced to understand. Explanation from now on would do no good and, thirdly, to those who don't want to understand because, by feigning ignorance, they continue to have a reason to ask absurd and ridiculous questions, so far as I can see, for no other purpose than political propaganda.

However, I am going to try to explain that question because there are spread upon many different pages of minutes demands and requests that I be asked to come out and explain that matter.

In 1934 - I believe in the month of December - the City of Torrance acquired the business and tangible assets of the Torrance Water Light and Power Company. For many months preceding the conclusion of this deal, a long series of conferences and discussions and negotiations were held between the City Council, the City's Engineer and representatives of the utility company. If I recall, at the beginning of these negotiations, the Torrance Water Light and Power Company asked a total compensation of \$175,000.00 for their business and assets. The City of Torrance countered with an offer of \$125,000.00. That is a long ways apart and during the height of the discussion and conferences and negotiations and during that time, it went so far as the City threatening condemnation proceedings to take over the assets of the Light and Power Company or parallel their lines with a municipally owned water system. So it finally resulted in an offer and acceptance of \$137,000.00 in cash, to be paid by the City to the Torrance Water Light and Power Company for acquisition of their tangible assets and their business, together with the City assuming approximately \$7400.00 in consumers deposits refundable. This purchase, and the contract of purchase, made no reference whatever to a breakdown or classification of assets or business acquired. It was the tangible assets and accounts of the company, together with their business. Being the auditor of the City at that time, it was our duty to set up the accounting system for the operation of the Water District. That \$137,000.00 in actual accordance with the contract of purchase, was set up on the records as an unclassified investment in the Water System. Subsequent to that time, the City Engineer and the firm of consulting engineers employed by the City for the purpose of inventorying and appraising the value of the assets that had been acquired in that deal, was filed, accepted and approved by the Council. Those inventories and appraisals broke down the various classes of assets that had been acquired into water mains and various classifications of production and distribution system, office supplies, office equipment and so forth. The records themselves are the best evidence and were entered on Page 1 of the Journal of the Municipal Water District totaling in the neighborhood of \$108,000.00, which represented a difference of approximately \$35,000.00 between the \$135,000.00 paid in cash and the \$7,000.00 assumed in consumers accounts or deposits refundable. That \$35,000.00 was left in the account wherein it had originally been entered as an unclassified investment in the Water System. The statement has been made that that \$35,000.00 should have been distributed over the various tangible assets acquired. To have done so would have been certainly to have violated the accepted practices and procedures of accounting.

It would have resulted in entering upon the records of the Water District those assets at a false and fictitious valuation, which is a practice which our firm, so far as I know, has never dealt in. Therefore, as to the question 'where did the \$38,000.00 go', the answer is, it went to the Torrance Water Light and Power Company. As to the question 'why did the City spend the \$38,000.00', the answer is, it was paid as a part of the purchase price of the Water System. Now, if that explanation is not satisfactory, the best that I can do is to refer you to the comments I made before I started this explanation. I noticed from the minutes of a Council Meeting of May 27, 1941, and I quote, 'Councilman Murray said his understanding was that \$18,000.00 was set up on the books for good will and organization and asked why, if such is the case, the \$35,000.00 had not been included in the "good will" set up. Mr. Klusman asked why \$18,000.00 had been paid for good will. Mr. Powell said that he felt satisfied with the account classed as good will, but that he still wishes to know what the \$35,000.00 or so represents.'

That is kind of a tough one to answer. I personally set up the accounts in the Water District. I audited those accounts from the time they were set up until June 1940. Something over 6 years. I have never seen the account "good will" on the books. There is no such account on the books and there never has been. Just to make sure that the accounts of water pumps or mains had not been changed to "good will", I examined them yesterday afternoon myself and still found there was no such account as good will on those books. That is a tough question to answer when it is asked that way. There is only one conclusion I came to. Anyone who saw that account "good will" on those books saw it just like you see pink elephants or snakes. It's not there and never was. I hope that answers the question.

While it is not exactly pertinent to this, I quote the following, as it has a bearing upon the matter. Mr. Klusman on July 8, 1941 asked whether or not Mr. Rambo, former City Auditor, had been contacted. Clerk Bartlett advised that Mr. Rambo had been in the City Hall all day Saturday, July 5, 1941 with Mr. Harris of the District Attorney's Office. Mr. Klusman remarked as follows: 'So finally the District Attorney was able to locate Mr. Rambo. I was informed that you would have to have a bushel basket full of search warrants to find him. Maybe he could find out something about that \$138,000.00 in the Water Department. It is a peculiar thing about the way Mr. Rambo must have audited the books that he didn't discover the shortage of things, or that Mr. Bartlett didn't discover it, or the Finance Committee. All those bills have to go through their hands. The Mayor and Clerk and Treasurer sign the bills. How it slipped by that long I can't find out.'

Speaking seriously, that is exemplary of many of the statements that have been made in this Council Chamber, exemplary of statements made by members of the City Council. As a matter of fact, it is just so much childish crying. It is a pitiful thing, however, to realize that, when the confidence and trust of the public have been placed in people sufficiently to place them on the City Council that they may represent the people and their city government, that the serious economic and business problems of government have to be sacrificed for such absurd and ridiculous discussions and comment as many pages of the minutes of this City Council so clearly reveal. And another thing that I can't understand. When the trust and confidence of the people have been placed in the men that has been placed in the members of this Council, when they have been given the opportunity to rehabilitate themselves - when they have been given the opportunity to elevate their social positions and the lives of people of their community, why they have to dissipate those opportunities and then have the nerve to ask the people of their community to reinstate them in their confidence.

I want to get down to a little more serious business. When I examined the records of the City Court on the 5th of July, I think perhaps I saw one of the boldest and crudest methods of changes and

alterations in public records that I have ever seen in my life. I would like, for the benefit of members of the Council who have not had a chance to study those records in the dockets, to just graphically show you what I found. I would like to first say that I have here a copy of a page from a purported audit report dated May 12, 1941 of the City Court of the City of Torrance, in which there are set forth fifteen cases dating back to January 1937, all alleging shortages in the account of the former City Judge, Robert Lessing. The first case that I examined, included on this page, I found to have been entirely erroneous. Case number 6498, a man by the name of Schipper, who was fined \$50.00. According to that report, the \$50.00 was not turned in. As a matter of fact, the first item on a subsequent turn in included that fine. I would like to illustrate here some of the things I found. (at which time Mr. Rambo wrote "\$5.00 - suspended" on the blackboard). This entry had been checked by the auditing firm from Seattle who made a special audit in 1939. It had been checked by myself and had been checked by the special investigator of the District Attorney's office in 1940. It was regular at that time because nobody made any comments on it. Two weeks ago last Saturday I looked at that item and it looked like this. (at which time Mr. Rambo drew a line through the word "suspended", it then appearing as \$5.00). The ink with which the alterations are made is lighter in color than the ink used to make the original entries - the difference in writing and difference in color of ink is clearly discernible, in addition to which I have a little check mark along side of that entry. Not only under photograph, but with the naked eye and more particularly, with a powerful magnifying glass, the line that was drawn over this check mark is clearly discernible. And, of course, the color of the ink, the type of pen used on it, indicate that this line drawn through the word suspended was done so a long time after the word itself had been written. The next case on the docket was this way. (at which time Mr. Rambo wrote on the board "\$5.00 - suspended"). Someone wrote an "0" in there like that. (Mr. Rambo placed a zero after the figure five in place where the period had been and drew a line through the word "suspended", it then appearing as \$50.00). This "0" doesn't look like the other "0" - the dot was still in the center of the "0". It shows up particularly in the photographs. The word suspended was marked through. Another case of a \$10.00 fine. I checked this \$10.00. \$10.00 was turned in to the City Treasurer on the next settlement made by the Court. (Mr. Rambo wrote \$10.00 on the board). Someone did this. (leaving the figure one of the \$10.00 on the board and drawing curves at the top and bottom of the "1", it then appearing as a "2", making the illustration then appear as \$20.00). This straight line of the "1" was as clear as could be. The other lines are in fresh ink - it showing up very clearly in the photographs. Settlement of this \$10.00 had been checked by at least three auditors, including myself. This is the type of evidence upon which this report accuses this man of a shortage. After the first request to the District Attorney's office was made, which followed two audits, special audits of the Judge's records and dockets and the matter was discussed, according to statements made to me by representatives of the District Attorney's office, by members of this Council many times, it was disposed of in this way and I quote a letter from the Los Angeles County Grand Jury dated June 12, 1940: 'Referring to your letter received by the Grand Jury on May 22, 1940; after going over the matter carefully, including the hearing of witnesses and taking of evidence, we have concluded that this is not a matter that warrants further consideration by the Grand Jury. Very truly yours, Helen Guzzardi, Secretary.'

At the time that letter was written, and up until the latter part of September, 1940 when I completed the last audit of this City, there was no evidence of that kind on those records. Why an investigation would be conducted over a period of months without comment by anybody interested in that investigation as to the very clear, unmistakable changes and alterations in those records is a



matter that I think should be investigated by this Council. Another matter that I think should be investigated or made the subject of inquiry by this Council, particularly in view of the evidence of willful, deliberate and felonious alterations and changes that have been made in those records and the fact that those records have been used in an attempted prosecution and a long series of persecutions is why, on the 13th of May, 1941, Mr. Powell, as Councilman, produced one of those dockets in his possession in this Council Chamber out of the possession entirely of the City Judge, and another matter that I think should be made the subject of inquiry by this Council, if the members of the Council have the slightest intention of being honest with themselves and their jobs, is to find out why the auditor that filed that report failed to tell them the truth. Now, as an auditor, I would certainly be so ashamed of myself that I would never show my face in a public meeting again if I had rendered a report of this kind purporting to be a record of a shortage without telling the whole facts of where those figures came from, unless it is a question of that man being merely a political tool in the hands of the Councilmen who hired him; that you should have the backbone of finding out why you asked for an investigation on facts based on figures of that kind. I thank you."

Councilman Powell made the following comments:

"Mr. Rambo, so far as reference to the ability and the work of the auditor, I am not qualified to speak from experience along auditing lines. Naturally, we have to, as Councilmen, take the auditor's reports as he supplies it to the Council. But you have made a fairly good case apparently and for the benefit of yourself and the people here in this community and in this hall tonight, I have five men here, the five that sit here tonight, sit in a Grand Jury room down there in Los Angeles after the evidence that was available had been presented, and Mr. Hahn, Chairman of the Grand Jury, made a statement to the effect that most of that letter you have there from him, that they felt that any further investigation on their behalf on evidence presented was unjustified. I am going to call on Mr. McGuire, and I don't believe Tom will deny it, at least the other three men there won't if they tell the truth, they will verify my statements. Tom asked Mr. - I think he made a note of it in the minutes of 1940 - addressing himself to the Chairman of the Grand Jury, Mr. Hahn, he said, 'As Mayor of the City of Torrance, we would like a letter from you absolving the accused as charged in this case.' Mr. Hahn told Mr. McGuire, he said, 'We can't give you any such letter.' He said, 'In my opinion, and in the opinion of the entire members of the Grand Jury, there is a breach of law in behalf of Bob Lessing in conducting his office out there as Judge.' Now then - when I tried to get some information in regard to this case - I had heard it rumored over town and different ones of my friends asked me in regard to it - so one day I was over talking to Mr. McGuire out in front of his house sitting in the car, and I asked him if he knew there was a shortage in the Judge's Department. He said, 'yes.' I said, 'How much, Tom?' He said, 'I don't know - something over \$900.00.' So later, according to the evidence that we have here to be guided by, there was restitution of \$1239.00. In view of these facts, Mr. Rambo, there has certainly been a serious mistake made somewhere. I have only been interested in order to try to fix the blame where it belongs and I am personally willing to let the people of this town be the judge."

Councilman Murray advised that he had observed the Court records and suggested that Mr. Logan Cotton, City Auditor, be requested to attend a meeting and clarify his findings in the report submitted by him and accepted by the Council at a Regular Meeting held May 13, 1941.

Councilman Murray moved that the City Clerk be instructed to direct a letter to Logan Cotton, City Auditor, enclosing excerpts of the minutes which pertain to, or make reference to, the audit report of

the City Court covering the period October 16, 1934 to March 31, 1941 submitted by Mr. Cotton and accepted by the City Council at a Regular Meeting held May 13, 1941, with the request that Mr. Cotton attend the Regular Meeting scheduled for August 12, 1941 and clarify certain matters in the report. Councilman Powell seconded the motion, which was carried unanimously.

Councilman Murray remarked that all auditors look alike to him and that, if Mr. Cotton had erred, he should be given an opportunity to present his explanation.

Mrs. Kent asked why, if former Judge Robert Lessing had not taken the money, he had made restitution.

Mr. Rambo answered as follows: "I think perhaps that gives me an opportunity to explain the matter here. There is spread upon the minutes in a number of places that if he paid it back, it is evident he must have taken it. As a matter of fact, Mr. Lessing never paid a dime back. Never was one dime ever paid back and there was no evidence that he had ever taken anything to pay back. With reference to the turn in of \$1200.00 which Mr. Powell spoke of, the greatest amount of that money had been taken in currently during the month in which the turn in was made. From a special audit that our company had made of the records of the Police Department covering a long period back, we found that they had evidence where officers of the Police Department had collected fines on behalf of the Court and so far as we know, had turned those monies over to the Court, but we had no evidence or proof to that effect.. We did know, however, that it was the responsibility of the Court to receive that money. The Court erred whenever they let the Police Department act as collectors for the Court. We told the Court, 'You're responsible for that money, - you've got to dig it up whether you have it or not.' It wasn't \$1200.00 by any means. The greater part of that money was current collections turned in at that time."

Councilman Powell: "According to your statement, he did have to dig up some money?"

Mr. Rambo: "Not based upon his own records. I told him he would have to produce it, as he was the Judge. We figured he had erred in permitting anyone to act on his behalf."

Councilman Powell: "I would like to ask you a question. In case of errors in a department - of shortage - is it or is it not ethical for an auditor to just make a report to a mayor, of the City, who is mayor by appointment of his own members, or would it be more ethical to call them in as a body so all five men would have information.

Mr. Rambo: "You used two terms. If there was any evidence of a shortage, then it would not only be ethical, it would be the duty of the auditor to present the matter in full and complete report to the Council through the Clerk. If, as in this case, there was evidence that money had been collected, that there was no possible way by which we could pin it down on any individual as to who did receive or retain it, it would certainly not have been our duty to have made a public statement that it was short. We would present it to the Mayor and Finance Committee and at which time the funds had been turned in. Now, I say again, had there been any evidence upon which we could conclude that any individual had received and retained for his own use any of that money, the report would have been a public report made to the City Council. I believe it is just as much the duty of the auditor to protect you or any other officer of the City as it is to protect the tax payer. Any person in public office can be made the victim of circumstances and victim of someone else's practices, just the same as that attempt there."

Councilman Powell agreed that this is correct.

Mr. Rambo continued: "It is the attempt to make someone the victim of a crime. I believe that answers that question in every respect and from a humanitarian standpoint. If you had the handling of any money as a representative of this City, and there happened that money had come into your possession, it certainly wouldn't be my duty to make a report and accuse you of being short when you voluntarily assume responsibility and pay in that money and no evidence has ever been produced that you were in the wrong."

Councilman Powell asked Mr. Rambo how he accounted for Mayor McGuire's statement that Judge Lessing was short in his funds. Mr. Rambo advised that he had no way of knowing what another man's thoughts are or accounting for his statements. However, he continued, people often use one word or expression when they mean another, and that the word "shortage" might have been used when the word "irregularity" was meant. He added that Mayor McGuire knew the whole history of the case just as he (Mr. Rambo) has presented it at this time. Also, he said, the then Mayor, Mr. Tolson, also knew the situation as he has reported it. He said he could assume no responsibility if either of these gentlemen or anyone else had wrongly used the word "shortage" as applied to this matter.

Mr. Powell: "How do you explain the statement made by the foreman of the Grand Jury?"

Mr. Rambo: "I can't answer for what statements another man made. I can however, tell you a statement that a representative of the District Attorney made about two members of the City Council if you wish."

Councilman Powell: "I understand."

Councilman Murray asked Mr. Rambo if his understanding that Mr. Rambo had reported the irregularity to the entire Finance Committee, (consisting at that time of Mr. Tolson, Mr. McGuire and Mr. Hitchcock), is right, Mr. Rambo answering "that is correct."

Councilman Murray then asked Mayor McGuire if he (Mayor McGuire) had, upon being asked by Councilman Murray whether or not he had ever seen a report of Mr. Rambo's, answered that he had not seen such report, Mayor McGuire answering "that is correct."

Councilman Murray then asked Mayor McGuire whether or not he (Mayor McGuire) had, upon being asked by Councilman Murray how the amount of the so called irregularity had been arrived at, had said "Bill Tolson told me." Mayor McGuire answered, "that is correct."

Mayor McGuire added that, when Mr. Tolson had advised that some irregularity existed in the City Court records, he (Mayor McGuire) had contacted Mr. Rambo and had been told by Mr. Rambo that some irregularity was in existence. He said he had asked Mr. Rambo what could be done to prevent a recurrence of this, being advised by Mr. Rambo that a different system of collecting fines and bails had been started, a system which is being used by cities of the sixth class in the State of California. Mr. Rambo substantiated Mayor McGuire's statements.

Mayor McGuire remarked that it is extremely difficult to remember exact conversations and statements which took place several years back, or to connect specific incidents with specific periods or dates. He added that the Council relies upon the auditor to furnish whatever information is necessary.

Councilman Babcock inquired whether or not it was a fact that during the particular period referred to, several months had elapsed during which time no money was turned in to the City Clerk by the City Court.

Mr. Rambo advised that it would be necessary to refer to the records, as it would be unwise to rely entirely on memory to attempt an answer as to how many months elapsed between various transmittals.

At the request of Councilman Babcock, Clerk Bartlett obtained a copy of the Audit Report submitted by Logan Cotton, City Auditor, of the Court Records covering the period October 16, 1934 to March 31, 1941, which report was accepted by the City Council at a Regular Meeting held May 13, 1941.

Councilman Babcock read as follows from the Audit Report: "The transmittals also reflect that from October 1, 1937 to April 20, 1939, a period of twenty months, that only \$369.00 was transmitted to the City Clerk." He asked Mr. Rambo if he cared to comment on this.

Mr. Rambo advised that he could not possibly recall exact dates and periods monies are turned in by officers of this city or any other city. To do so, he said, would be pure folly.

Councilman Babcock stated that he understood a period of eight months had elapsed at one time between conveyance of monies from the Court to the City Clerk.

At this time, Mr. Parriera of the Southern California Disinfecting Company requested Clerk Bartlett to read a letter which his company had submitted, which was done after Mr. Parriera had repeated his request a number of times.

The letter informed that, in regard to purchase of disinfecting and janitorial supplies, unfair tactics had been employed by someone, inasmuch as the bid submitted by the Southern California Disinfecting Company had been shown to the Easterday Supply Company, who had submitted an earlier bid, resulting in Easterday Supply Company submitting a revised bid lower than their original bid. It also mentioned that J. Brodie had shown the Easterday original bid to the Southern California Disinfecting Company, after the Southern California Disinfecting Company had submitted their bid.

It was stated further that the installation man had installed the paper towel cabinets in the ladies rest room of the auditorium in the presence of Mr. Brodie and in the locations designated by Mr. Brodie. The letter was signed by Harry Toplitzky.

Councilman Powell advised that he had inspected the cabinets in the auditorium and had discovered that they are installed improperly, inasmuch as they are not hung straight.

Mayor McGuire questioned how Mr. Brodie had been in a position to ask for or receive bids on any purchasing for the City, advising that the purchasing agent should attend to such matters.

Clerk Bartlett advised that it has been the practice for Mr. Brodie to interview representatives of the janitor supply houses. He stated that Mr. Brodie had been present at the time Mr. Toplitzky submitted his bid, Mr. Bernstein of the Easterday Supply Company having submitted his bid prior to that time. He said he felt reluctant to read the letter and was sorry it had ever been read.

A short discussion ensued, Councilman Murray asking Mr. Parriera what the purpose of the letter is, inasmuch as the Southern California Disinfecting Company received the business. He asked if it was for the purpose of casting reflection of Mr. Brodie, which Mr. Parriera emphatically disclaimed. He said it was the purpose of the letter to call attention to the unfair business practices used.

Mr. Sam Levy asked why the business is given to an outside firm, contending that local merchants could supply the needs.

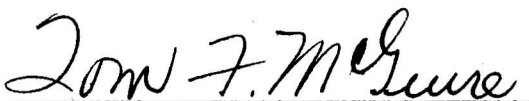
Clerk Bartlett advised that all the purchases made benefited the local businessmen, who receive payment for same without ever actually handling the supplies.

Councilman Babcock moved all bills properly audited be paid. Councilman Murray seconded the motion, which was carried by the following roll call vote: AYES: COUNCILMEN: Babcock, Hitchcock, Murray, Powell and McGuire. NOES: COUNCILMEN: None. ABSENT: COUNCILMEN: None.

At 10:04 P.M., upon motion of Councilman Hitchcock, seconded by Councilman Murray, the meeting adjourned to July 24, 1941 at 4:45 P.M.

  
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City Clerk of the City of Torrance

APPROVED:

  
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Mayor of the City of Torrance